Dear Mrs. Baldwin:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Mrs. C. H. Baldwin Post Office Box 1208 Camp Verde, AZ 86322

- HAD

# CARRYL BALDWIN P. O. BOX 1208 CAMP VERDE, ARIZONA 86322

March 4, 1987

Howard Baker, Chief of Staff The White House Washington, D. C.

Dear Sir:

I find it a most refreshing tonic to read a sentance in a magazine (TIME) today that is old-fashioned and more in keeping with sentiments expressed in papers I read 60 years ago. I STOPPED ... and read it a couple of times.

WE KNOW HE'S FAIR, WE KNOW HE'S HONEST, AND WE KNOW HE'S DECENT. (Senator Alan Dixon)

SUCH lovely words! GREAT for all of us to have such a man as described by Senator Dixon helping our president ... and us.

May you be ever so successful.

Respectfully yours, Carry Boldwell

Carryl Baldwin (Mrs. C. H.)

Dear Mrs. Steen:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Mrs. Emma E. Steen 2304 Southwest 64th Portland, OR 97221

NAR.

2304 SW 64 Portland OR 97221 4 March, 1987

who also happens

to be a Christian interested in where or Country's Where Dire There's many o -may//WE be mindful that the and Were only 200 yrs old! clifteren (one of whom is Ahandicapped) and children Esterywhere their Cuture. Hhank you for all you've the Good rolf you are. those who way Fortland, OREGON

Dear Mr. James:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Mr. Lester M. James Apartment 11 1744 West Lyle College Park, GA 30337

1744 W. Lyle #11 College PArk GA march 1, 1987 Sunn for Howard Baker The white House WAShinston D.C. Denr Sunator Baker words Sail me, Senatow, When Z try to Canvey to your my feelings ons to how Proud & mm, that you are So Close to our President, in A Start where we wed yest Z CAN Only SAY, Thank you Jar being there when we Nacded you! Jos will bring harmony & share up the love ce have for our Product -

Lester m. James mks Lus Calm Dear Miss Hayes:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Miss Marion A. Hayes 259 South 17th Street Philadelphia, PA 19103

#### MISS MARION A. HAYES

259 SOUTH 17TH STREET PHILADELPHIA, PA. 19103

\_\_\_\_

PENNYPACKER 5-3079

HONORABLE HOWARD H. BAKER, JR

MY PRAYERS AND THOUGHTS ARE WITH YOU.

MY MOTHER HAD A NICE EXPRESSION!
"BE RIGHT AND GO FORWARD."

BEST WISHER.

SINCERELY YOURS,

marion A. Hages.





Dear Mr. Roesner:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Mr. James L. Roesner 103 Forrest Road Antigo, WI 54409



Hon. Howard Baker White House Chief of Staff Washington, D. C.

Dear Mr. Baker:

Congratulations upon your appointment as White House Chief of Staff.

By your appointment at this time, is comparable to Watergate. You, today are needed to heal the wounds of the country, as Gerald Ford was in 1974 to heal the country at that time. Honesty is so important a virtue in our everyday business, and you two gentlemen are indeed, honest men. And we need that so badly.

I always and still do have a high respect for you. You were my choice for President in 1980, and you would have been in 1988.

I recall with great personal honor my meeting you in person on June 1, 1985 at the State Republican Convention in Cable, Wi., and of my having my picture taken with you. That picture hangs very proudly in my room.

May God Bless you always.

Best personal regards, I remain

Roesner

Very truly yours.

James L.

, 1

Dear Mr. Norris:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Mr. Jim Guy Norris Baker's Boarding Home, Inc. 836 Oak Street Quincy, IL 62301-1910

Tuesday, March 10, 1987, 9:40a.m. 836 Jah St HABY Bakers Boarding Home Inc. 62301-1910 Dear Senator Baker: Sood luck + congratulations in your new job as chief of staff to President Reagan. outstanding excellent work, and, correct the mess in Washington. again, best regards, I remain Respectfully & admireally yours, Jon Luy Novis (M.) P.S. Please write to me soon of tell me what you are doing now. Sincerely!



# Town Meeting \*\*\*Digest\*\*\*

FROM SENATOR PAUL SIMON

Illinoisians Sound Off in 178 Meetings

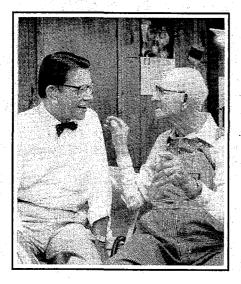
# Social Security, Budget, Jobs Top Town Meeting Talk



enator Paul Simon wrapped up his first two years in office with five town meetings in December. The Illinois senator answered questions at meetings in Bensenville, Springfield, Peoria, Rock Island, and Alton. He opened 1987 with town meetings in Rockford, Aurora, Quincy, Bushnell, Olney, Mt. Carmel, Carmi, Marion and Arlington Heights in February. What follows are highlights from the town meeting circuit:

Q: Senator, what is Congress going to do about the deficit? It's having a serious effect on our economy.

A: I agree completely. This fiscal year we will spend about \$207 billion on interest alone. In 1962, the total federal budget was \$100 billion. Interest is the fastest growing part of the federal budget. We are spending an increasing percentage of our tax dollar on interest rather than on goods and services. In the last three years our nation has moved from being the No. 1 creditor nation to being the No. 1 debtor nation. How are we going to deal with this? It's going to have to be a combination of spending cuts and revenue increases. There is no other way to do it. We have to face that truth.



To catch the flavor of the dozens of town meetings Senator Paul Simon has convened throughout Illinois over the last two years, imagine the tradition of a New England town meeting, the spirited give-and-take of a good Senate debate, and the rich diversity of Illinois' towns, cities and neighborhoods.

To find out what people are thinking, Senator Simon has criss-crossed the state dozens of times and hosted 178 get-togethers involving all 102 counties -- certainly a record for any Illinois senator.

Many times the meetings are the first sounding board for a problem or an issue. "This is one of the values of town meetings. It is one of the reasons why members of Congress shouldn't just be sitting in Washington listening to high-paid lobbyists. You have to get out and listen to the people."

The crisis in the cost and availability of liability insurance was raised at a town meeting in suburban Schaumburg in November 1985. A group of roller skaters held up a sign saying "Insurance? Unfair to Roller Skaters."

After that, Senator Simon was deluged with mail from municipalities, businesses, even mothers worried the high cost of insurance would shut down their day-care centers. Several months later he introduced bills to remove the exemption from antitrust laws the insurance industry enjoys and to order the collection and analysis of insurance data. (See related question)



**Q:** Everyday you read in the newspaper someplace else is laying off people. Something is wrong.

A: We have to be concerned about three basic issues. One is fiscal policy and that means getting the deficit down. Second is to make a much higher priority of education. And three, we have to look at our trade policy. Beyond those three things, we have to do something we have not paid attention to yet. There are two trend lines in this country. One is the demand for unskilled labor is going down and the other is the pool of unskilled labor is going up. That latter trend line can change but it is not going to change quickly nor dramatically. Since we are not going to let people starve, we face a choice of paying people for doing nothing or we can pay them for doing something. I'm going to be introducing legislation soon which will guarantee a job opportunity to every American who can't find a job in the private sector. (See related story on back page)

**Q:** Don't you think it's time we raised the minimum wage?

A: The minimum wage is \$3.35 and it has not been increased for about six years. There is no question that it is past time to raise that. There is some talk about the possibility of an increase. However, we will need the support of the administration because we don't have the votes to override a veto. Some compromise will have to be worked out.

(CONTINUED-INSIDE)



Q: Who are the political action committees and how much pressure do they put on members of Congress?

A: You have touched on an extremely important question. The political action committees are basically the money interests of this country. I don't mean that negatively. They have a right to be heard and they are heard. The difficulty is that sometimes retired citizens or people who are unemployed and others who have great needs are not heard. Our present system of financing political campaigns is bad. If I may use myself as an illustration and I say this not with pride because I don't like what we did: In my campaign for the U.S. Senate in 1984, we spent \$5.3 million. My opponent spent about \$7 million. Now, what's wrong with that? People who contribute heavily to campaigns too often expect something in return. It's not that I have ever promised anything to anyone for a campaign contribution. But it means that anyone who has the money to contribute to campaigns has extra access to those of us who are policymakers. (UPDATE: Senator Simon has introduced legislation to begin public financing of Senate general election campaigns, paid by a voluntary taxpayer checkoff fund, like presidential campaigns are now financed after the conventions. It would prohibit private contributions to general elections, whether from individuals or political action committees.)

Q: Don't you think Social Security should be optional?

A: You may have the prudence and good sense to cover yourself, but many people don't. Also, through Social Security, you are now covered by disability. If you went to your local insurance agent and tried to get the same kind of coverage, the cost would be astronomical. If we get our fiscal house in order, that Social Security system is going to be there for you well into the next century. But Medicare, a part of the Social Security system, has some problems. Sometime in the next several years we will have to make some very basic decisions on what we do to correct the Medicare funding problem.

A little background on Social Security: Back when our country was involved in the Korean War, President Truman, to his credit, decided we needed to tax ourselves to pay for the war. We went through the Korean War without increasing the deficit or inflation. But when our country got involved in the Vietnam War, President Johnson decided to take Social Security and make it part of the overall budget. That way the deficit didn't look as bad as it really was. In several years, we will take Social Security out of the budget. I would like to see it done tomorrow.



#### Simon Tapped f

The Senate's leadership has reassigned Senator Paul Simon to two leading Senate committees. They are the Committee on Labor and Human Resources, where he is a leader on education and employment policy, and the Judiciary Committee, where he will be active on competitiveness and antitrust matters, judicial nominations, insurance and Constitutional issues, and immigration policy.

The Senate leadership also waived rules to recruit the Illinois senator for a third key panel, the Foreign Relations Committee. Simon did not seek the added position on Foreign Relations, but sees it as a chance to improve U.S. interests abroad and to help boost Illinois' lagging foreign trade economy.

Q: Why did you vote against the new tax reform law?

A: I was one of three in the Senate who voted against the Senate version of the bill. I recognize that it was not a popular vote. In fact, it is the only bill that I can remember that was endorsed by some 840 groups. I voted against it because I think in the long term it is not good for the country. Let me tell you why. First, to massively overhaul the tax system and do nothing about the deficit just does not make sense. The deficit is our No. 1 economic problem. Second, we should have a progressive tax structure. I'm in the income level where I should pay more than someone who makes \$30,000 a year. Third, it's going to discourage job creation. As one illustration, we're cutting back on the amount a business can deduct on research. There is no possibility of this country advancing if we don't spend more on research. Finally, the bill is unfair to middle-income Americans.

#### Farm Budget A Dual

With farmers and their communities already recling from depressed farm prices, administration budget plans would force still more farmers out of business and slash rural development help needed to assist farm communities regain their footing.

Senator Paul Simon warns the one-two punch would be a dual blow for many struggling Illinois farmers. The proposal to cut target prices by 10 percent a year and to eliminate the advanced deficiency payments Congress established in 1985 would be a major blow to farmers, Simon said.

He estimates if Illinois corn farmers turned in the same production and program participation levels as 1986, they would lose \$370 million because of the cut. That calculation was based on a 1.4 billion bushel corn crop with 88 percent of the 1986 crop enrolled in the federal program.

#### Key Senate Posts

"I did not request the Foreign Relations assignment, but I welcome it. It offers many opportunities to help restore order to a foreign policy in dissarray, and it opens many opportunities to promote Illinois trade and overseas investment in our state's economy."

Simon also joins the Budget Committee, leaving the Rules Committee to take that post. Senate rules suggest no senator should chair more than two subcommittees, but the Illinois law-maker has been called to three such posts. He will chair: Constitution on Judiciary, Employment and Productivity on Labor and Human Resources, and African Affairs on Foreign Affairs. The employment subcommittee will give Simon an opportunity to advance his jobs program. (See story on back page.)



#### w For Illinois Farmers

"A 10 percent cut each year would be disastrous for many farmers," he said. Eliminating the advanced deficiency payment would save the government money in one fiscal year but would be no financial advantage in the long run. Meanwhile, it would hit farmers with tremendous cash flow problems.

Adding to the woes, the administration wants to make sharp cuts in other farm-related programs, including all direct rural housing programs, community-based extension service, phasing out rural water and waste disposal grants, and phasing out loans for REA and rural community fire protection.

Falling farmland values have meant a lower local tax base. "Rural communities simply can't afford to go through the wringer that this administration budget prescribes."



Q: Some companies have seen their insurance rates go up 300 to 400 percent and now I hear insurance profits are up billions of dollars. We need some federal help. We have to do something to make them open their books to us.

A: You have a good point. We have a real liability insurance problem. I can give you a long horror story list. It is a problem and it is hitting us in little ways we don't know. The insurance companies come to me and say the tort system is wrong. The trial lawyers come to me and say the insurance companies are wrong. There is a little truth on both sides. I've introduced two bills. One says insurance companies should not have a special exemption from some of our antitrust laws. If two shoe store owners get together and set the price of shoes, they can go to prison for it. If two insurance companies get together and set the price of insurance, that is perfectly legal. I say that is wrong. We are the only Western country not to have national government control of insurance and I don't advocate that. What I do ask is that we gather information nationally so the states can do a better job in making decisions on insurance matters. Right now if you want to get information on the insurance industry, you write 50 state commissioners. We ought to be able to get that information from one central source and know it is reliable.

**Q:** Is there anything being done to restore revenue sharing?

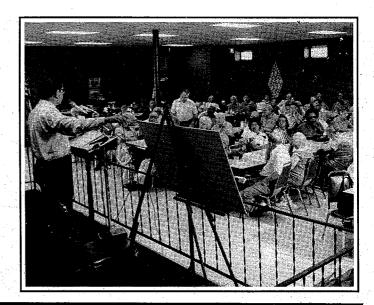
A: It's bad news. It just doesn't look good for revenue sharing. I would love to give you better news. I happen to be a supporter of it. And that is not encouraging for Peoria, for East St. Louis, for a lot of communities that have major problems. Senator Dixon and I, at one point, tried to get 75 percent funding instead of full funding in an effort to save revenue sharing. But right now the chances look slim.

(CONTINUED-OVER)



**Q:** I'd like to know your opinion on the catastrophic insurance proposal by Secretary of Health and Human Services Otis Bowen?

A: Secretary Bowen has proposed we move on this catastrophic illness area. Whether we go precisely with his plan or some other plan, we have to recognize that we have a major problem. Let me give you two examples: A man came to me, his wife had a series of operations and he has a \$151,000 hospital bill above what is covered by insurance. Another man called to say his wife's medical problems have cost him just about everything. He's about to lose his home. It is costing them about \$200,000 a year in medical bills. Now, somehow we ought to all share the burden for people who face these overwhelming costs. Long-term health care is another area of great need. Fortunately, most of us will not end up in nursing homes. But for those who do it is a great drain on them psychologically, and it is a great drain on their families financially. We have not faced up either to that long-term care or the catastrophic problem.



#### Simon Offers Major Jobs Plan

FACT ONE: The supply of unskilled workers is growing. FACT TWO: Demand for unskilled workers is shrinking.

I s welfare the only answer for those unable to find jobs in the private sector?

For years Senator Paul Simon has believed there is a better answer, and now he chairs the Senate panel that can act on his plan for a project-oriented, locally run program to guarantee jobs to those who can't find work anywhere else.

The Illinois senator heads the Senate Subcommittee on Employment and Productivity, which soon begins hearings on his bill. He has discussed the plan with Illinoisians in town meetings across the state.

"Unemplayment is not something beyond our control, like the weather," he reminds lawmakers. "Work opportunity for all can and should be the next great step forward we take as a society."

Senator Simon's Guaranteed Job Opportunity Plan improves on the success of the Works Progress Administration (WPA), devised by President Franklin Roosevelt, which laid or improved 561,000 miles of highway; built or modernized 125,110 schools, libraries and other public buildings; and taught 1.5 million illiterate adults to read and write. It was good for the economy and good for workers and their families. "The WPA was a marvelous movement because people were doing something," Chicago author Studs Terkel has said. "It was money well spent. The country was pulling together."

President Reagan told an interviewer about how much WPA had done for his home town of Dixon, III.: "I can take you to our town and show you things like a riverfront that was once swamp. (It) is now a beautiful park-like place built by WPA."

The Simon jobs proposal, like WPA, calls for local jobs projects, with clear objectives, and timetables, paying the minimum wage or 10 percent above welfare or unemployment stipends for 32-hour work weeks. Thirty-two hours a week at the minimum wage is higher than the average welfare payment in all but and counseling would equip applicants with skills to raise their chances of finding private sector jobs. Local boards would oversee the projects, which could range from sidewalk construction to helping in day-care centers to tutoring adults to read and write. Most of the program's cost would be offset by savings in welfare and unemployment compensation:

Curbing joblessness would also bring hope to millions of families trapped in the cycle of poverty. It would reduce crime, boost local commerce, relieve pressure on local tax rolls and lighten the burden of a variety of federal poverty efforts. Senator Simon sums up the many benefits of the plan this way: "Taking this one step would convert the national liability of unemployment into a national resource."

# Scriator Paul Simon's Offices 250 West Cherry Room 117-18 Garbondalk, 14, 62901 (518, 367-9535 230 St Dearborn 1 Klierynski Bildg 38th Floor Chicago, 11, 60604 (312) 553-4952 122 8737 State, Street 2 8737 State, Street 2 8737 State, Street 3 5 Suite 212 East St. Lawren 14, 2203 (616) 398-7707 3 West Old Capitol Plaza Suite 1 Springfield, 11, 62701 (217) 492-4966

#### United States Senate

462 Dirksen Office Bldg. Washington, D.C. 20510 ph: (202) 224-2152 Mandfins
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NATIONAL CENTER FOR MISSING AND EXPLOITED CHILDREN



### U.S. Congressman

# Dick Durbin

Special Report:

Coping With Utility Prices

Winter, 1986

Dear Friends:

This winter, Illinois homes and businesses face ever-increasing costs for heat and electricity. These rising costs are not only a hardship for our families, but for the businesses and industries that provide jobs for our communities. High utility prices stunt economic growth — which we urgently need in Central and Western Illinois.

Probably the biggest single concern expressed to me at town meetings is the prospect of electrical rate increases as the Clinton Nuclear Power Plant comes on line. While a decade ago the plant's pricetag was \$429 million, Illinois Power Company now estimates it will cost as much as \$3.7 billion, while the Governor's Office of Consumer Services places the eventual cost upwards of \$4 billion. IP ratepayers already expect an 18% rate increase as the plant comes on line, with even higher rates phased in in the future. Rural co-op customers, already coping with high rates, also face the prospect of steep increases.

Natural gas prices are also a continuing concern. In our state, where roughly 83% of all households are heated by natural gas, it was not so long ago that we saw prices jump 20% to 40%. Commercial and industial customers, who consume half of all the natural gas sold in our state, are also sensitive to natural gas price hikes, and high natural gas prices have discouraged economic growth and prosperity. Current gas pricing practices unfairly favor producers and pipelines — rather than consumers — and must be changed.

I'm working hard, both at home and Washington, to address these energy concerns. I hope this special report will provide more information for consumers about the causes of these problems and what we can do together to solve them. Also enclosed is a special Energy Resources Guide, which can help you conserve energy this winter.

As always, your comments are essential in helping me represent you effectively on these important concerns. Please let me know what you think.

Sincerely,

## FIGHTING TO CURB NATURAL GAS PRICES

In an effort to reduce gas prices for many Illinois customers, I am co-sponsoring a resolution urging increased competitiveness in natural gas pipeline transportation, which would result in lower natural gas prices for Illinois homeowners and industries.

Currently, pipeline companies usually serve as the "middle-man" in natural gas purchasing, buying the gas from a producer, then selling it to customers at the other end. However, a small but increasing share has been sold by producers directly to selected large customers such as industries and school districts. These customers got a better deal because they could shop around for prices.

A recent court decision, however, said that selling gas in this fashion to certain customers was discriminatory. Following the decision, the Federal Energy Regulatory Commission (FERC) issued voluntary guidelines stating that pipelines could no longer offer the lower-price option to a select group; if they offered it to one customer, they must offer it to all. But instead, most pipelines responded to FERC's directive by refusing to transport gas for any customers at the lower price.

The Congressional resolution urges the natural gas pipelines to instead offer all natural gas customers the option of buying natural gas directly from the producer. This would reduce future risks that Illinois consumers would be held captive to bad pipeline deals — such as the Algerian Liquid Natural Gas deal which sent Illinois prices sky-high in recent years.

#### **DURBIN SPEAKS FOR CONSUMERS**

I personally testified before the Federal Energy Regulatory Commission (FERC) in Washington in December to urge them to bring down natural gas prices in Illinois by adopting a "block billing" policy. Block billing would permit utility companies to purchase the cheapest available natural gas,

creating potential savings of \$466 million for Illinois consumers.

As the only witness representing consumers at the hearing, I told FERC that current gas pricing violates the intent of Congress as expressed in the Natural Gas Policy Act of 1978 (NGPA), which required the continued regulation of "old gas," natural gas which has been discovered and produced at relatively low cost. However, current pricing practices permit pipelines to charge customers a higher price, equal to the average of the old gas price with the price of "new" gas, for which exploration and drilling is much more costly.

One of the NGPA's principal goals is to ensure that consumers benefit from less costly "old" gas. The adoption of block billing would finally permit consumers to realize these savings, and would give our region a much-needed economic boost.



Durbin testifies for consumers at hearing on natural gas pricing.

# Coping With the Soaring Cost of Clinton

More than a decade ago, the Illinois Power Company proposed a \$429 million nuclear power plant in Clinton to cope with projected increases in demand for electricity in central Illinois. In the intervening years, a variety of factors - nuclear accidents, increased government regulations, mounting costs, and declining prices for other energy sources — have drastically altered the picture for nuclear power in this country. Organizations such as the Governor's Office of Consumer Services and the Citizens' Utility Board, a consumer group, have also charged that Illinois Power has mismanaged the plant's construction. The impact of these factors on the proposed Clinton nuclear power plant has been profound. The plant is scheduled to go on line this year, but it is five years later than planned and has seen a nine-fold increase in cost.

The company now expects its costs to reach \$3.25 billion to \$3.35 billion. Two rural power cooperatives also own shares of the plant, and when their cost of \$450 million is added, the price comes to an estimated \$3.7 billion to \$3.8 billion. The Governor's Office of Consumer Services (GOCS), however, now estimates the plant's cost will go over \$4 billion, including the co-ops' cost!

Whatever estimate is used, GOCS asserts that Clinton has become one of the most expensive nuclear power plants in the nation. A February, 1985 article in Forbes Magazine found Clinton's pricetag above the average among 36 new nuclear projects with costs ranging from \$932 per kilowatt to \$5193/kw: Clinton ranked 12th with a pricetag of \$3,035/kw. In the year since the article, the price of the plant has risen about \$5-6 million.

All of that means higher rates than originally predicted. For Illinois Power ratepayers, the Illinois Commerce Commission has permitted a rate increase of 9% when the fuel is "loaded," and another 9% increase when the Nuclear Regulatory Commission issues the plant's full power license.<sup>2</sup> Overall, Illinois Power spokesmen say rates will grow 3-4% above the rate of inflation between now and 1988.

According to Illinois Power's latest estimates, the plant's nuclear fuel will be loaded in February or March of 1986, and it could generate electricity sometime between July and September, 1986. The Governor's Office of Consumer Services, however, predicts that the plant may not generate power commercially until the fall of 1987.

Last August, the Illinois Commerce Commission (ICC) made two decisions with respect to Clinton costs. First, the ICC determined, with some reservations, that IP should finish the plant rather than abandoning construction. Since 1978, 75 nuclear projects have been cancelled in the U.S., including close to 30 already under construction.

Second, the ICC decision placed a cap on the costs which can be passed on to consumers through rate in-

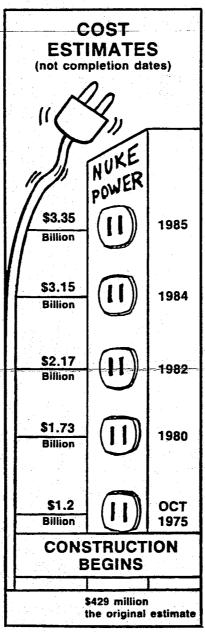
creases. Any excess costs incurred after the October 1984 budget cannot be passed on to ratepayers unless Illinois Power can prove to the ICC that the increases were not the result of mismanagement by the company.

#### Crisis for the Co-ops

Just as IP customers face an 18% rate hike in the coming months, customers of the rural electrical cooperatives which own a share of Clinton have also seen rates rise sharply. The co-ops have paid for their share of the plant through loans from the federal Rural Electrification Administration (REA), and those loans must be paid off through large rate increases for co-op customers.

Ten years ago, the 22 co-ops that comprise Soyland and Western Illinois Power Cooperative (WIPCO) bought shares in Clinton in the belief that the plant would offer lower-cost electricity to rural customers. WIPCO's 9.5% share of the plant and Soyland's 10% share were financed by REA loans, to be paid back by co-op customers.

But continued delays and the enormous growth of Clinton costs have put the co-ops in an increasingly tough financial position. The co-ops have had to return to REA for additional loan guarantees as plant costs increased, while rural demand for electricity has declined.



Decatur Herald & Review

In March 1984, the co-ops sought to cap these rising costs by making an agreement with IP to limit their costshare of the plant to \$450 million. But because their share is capped while the total cost of Clinton continues to escalate, the co-ops' share of plant ownership and capacity continues to be adjusted downward.

Given these factors, customers of many co-ops have already faced considerable electrical rate increases, and most will face further increases in the next few years. According to a Soyland spokesman, the average rate increase of its member-co-ops will be about 20-25% between now and 1988. A Members Action Committee comprised of members of various rural coops recently reported that one area coop's electrical rates are the third highest in the state.4 The prospect of devastating increases has angered many co-op customers, who are now exploring various solutions.

#### The Search For Solutions

While the regulation of utility rates and the administration of power plants are primarily state issues, I believe the federal government must examine closely a number of questions raised by Clinton. Congress should take particular interest in the crisis facing the co-ops, since their share of the plant was funded by loans from a federal agency, the Rural Electrification Administration.

I have already held meetings with representatives of the rural co-ops and with Rural Electrification Administration officials to discuss what recourse we might have in facing potentially exhorbitant rate increases. We are looking into the possibility of congressional hearings on the issue, which not only affects our co-op customers but millions of other rural ratepayers around the country who face the same dilemma. Unfortunately, we have passed the day when the federal government might completely alleviate this dire financial situation; our federal deficits have forced spending constraints, which means any federal solution will likely require financial sacrifices of all parties.

Our primary concern should be to maintain an economic climate which attracts new business and investment in Central Illinois, and lightens the cost burden on small and medium-sized farms, many of which already have faced serious financial difficulties. I will continue to press for solutions to help citizens, businesses and farms cope with high utility costs created by the Clinton nuclear power plant.

#### Footnotes

- 1. State Journal-Register, Nov. 28, 1985.
- 2. Decatur Herald & Review, August 2, 1985.
- 3. State Journal-Register, Nov. 28, 1985.
- 4. Quincy Herald-Whig, Dec. 17, 1985. The cooperative mentioned is the Illinois Rural Electric Cooperative (IREC). According to the article, the Members Action Committee study included 45 Illinois co-ops and investor owned public utilities.

# **Energy Resources Guide**



As we continue to work on legislation to make our utility bills more affordable, here is some helpful information which might immediately help bring your costs down this winter. A number of federal, state and private programs are available to help consumers cut or defray high utility costs. Among these programs are weatherization, conservation, and home energy loans and grants. I hope this information is useful to you, and that you'll also feel free to call my closest district office or my toll-free number if you need further assistance. The phone numbers and addresses are on the back of this newsletter.

- Residential Conservation Service Customers of CILCO, CIPS, CWLP, Illinois Power and Northern Illinois Gas can receive information from their utility companies on energy convervation and renewable resources, home energy audits and installation and financing of energy-saving devices. Most utilities charge \$15 for a full energy audit and print-out of your home's energy needs. The companies also offer special credits and loans for home energy improvements. CILCO's Lift program, for instance, offers low interest loans for conservation improvements. Springfield CWLP provides up to a \$100 credit for such improvements. To find out more about these energy-saving measures, you can simply call your utility company.
- Low-Income Weatherization and Energy Assistance Weatherization and fuel assistance programs can help income-eligible Illinois citizens cope with high heating costs, both through home weatherization and direct fuel aid from the Illinois Home Energy Assistance program (IHEAP). The weatherization program is able to serve 15,000 applicants each calendar year, so it you are interested in this assistance, please apply early. If you need more information about these programs, you can call the IHEAP

Hotline at 1-800-252-8643, or your local administering agency.



Local Administering Agencies:

For Christian, Shelby, Montgomery, Fayette, Effingham, Clay and Moultrie Counties: C.E.F.S. Economic Opportunity Corp. 101 N. 4th St., P.O. Box 928 Effingham, IL 62401-0928 217-342-2194

For Macon County:

Decatur Macon County Opportunities Corp.

1122 E. Marietta Decatur, IL 62521 217-428-2193

217-854-9677

For Greene, Macoupin, Calhoun and Jersey Counties:

Illinois Valley Economic Development Corp. 130½ N. Broad St. Carlinville, IL 62626 For Sangamon County: 727 N. Grand Ave. E. Springfield, IL 62702 217-789-6688

For Brown, Adams, Pike and Schuyler Counties:

Two Rivers Regional Council of Public Officials
Franklin Square
4th and State Streets
Quincy, IL 62301-4188
217-224-9519





- Energy Extension Service This is a statewide energy education and information service, funded by the U.S. Department of Energy. DOE also funds a State Energy Conservation Program, to provide energy conservation information. For information on conservation and alternative energy technologies, you can call their toll-free hotline at 1-800-252-8955.
- Conservation and Renewable Energy Inquiry and Referral Service This service provides information to homeowners and other energy consumers on renewable energy technologies and conservation. It also maintains contact with a network of public and private organizations which can provide information on conservation and energy resource issues. You can call toll-free 1-800-523-2929 or write Renewable Energy Information, Box 8900, Silver Spring, MD 20907.
- National Appropriate Technology Assistance Service This service offers assistance of a more technical nature on solar, wind, water resources and conservation to small businesses, farmers, homeowners, state and local governments, non-profit organizations and educational institutions. Among the services provided are engineering/scientific assistance such as ranking conservation options for cost-effectiveness, energy management for communities, and comparing solar designs and components. The service also offers direct assistance to businesses on energy technology questions and financing. The service can be reached weekdays 9 a.m. 6 p.m. at 1-800-428-2525, or by writing NATAS, U.S. Department of Energy, P.O. Box 2525, Butte, Montana 59702-2525.
- Helpful Publications: The U.S. Department of Energy offers consumers many helpful publications on saving energy and getting through the winter. Among these are Winter Survival, A Guide to Winter Preparedness; Heating With Wood; How to Understand Your Utility Bill; and Tips for Energy Savers. To order these pamphlets, or to obtain information on a specific energy topic, you may write to ENERGY, P.O. Box 62, Oak Ridge, TN 37830.



#### **Durbin Co-Sponsors Measure To Combat "Phantom Taxes"**

Congressman Durbin has joined in introducing a measure to combat "phantom taxes," which last year cost consumers \$7.4 billion nationwide in utility overcharges.

H.R. 3018, the Electric Utility Reform Act, could significantly reduce our utility bills by permitting the Illinois Commerce Commission to allow federal tax benefits now received by utility companies to flow through to ratepayers.

Electric utility companies nationwide last year charged consumers \$7.4 billion for taxes the utilities didn't have to pay to the IRS. It's estimated that in Illinois, these so-called "phantom taxes" added \$690 million last year to our utility bills, costing the typical household more than \$100 in overcharges.

These overcharges skyrocketed after 1981, when utili-

ties persuaded Congress to prohibit state regulators from passing the companies' tax savings on to consumers. Since 1982, utilities have collected nearly \$20 billion in this manner.

The reason for the tax discrepancy is that electric utilities receive generous federal tax benefits, such as accelerated depreciation and the investment tax credit. However, federal law requires utilities to charge customers as if they did not receive the benefits, meaning utilities keep much of the money they collect nationwide from consumers for federal taxes. For every dollar the utilities collect from consumers for federal income taxes, they pay only 30 cents to the IRS, enabling the companies to keep more than \$7 billion each year. These phantom taxes not only cost consumers billions of dollars, they encourage wasteful investments by utilities.

# Orchard Park Apartments Win Award For Saving Energy

Saving energy has its rewards — for Fred and Barbara Fleury of Springfield, the reward was a special U.S. Department of Energy award for Energy Innovation.

The Fleurys, owners and builders of the Orchard Park Apartments in Springfield, were personally honored in October in Washington for their achievement. In a field of 220 award-winning projects, the Fleurys' apartments were among 27 projects chosen nationally for their outstanding contribution to energy efficiency. The apartments also won an Illinois Energy Award.

The apartments utilize super insulation techniques and passive solar heat to bring down tenants' utility bills, which average \$23.82 per month. High efficiency heat pumps, "energy mizer" hot water heaters and special electric meters also help tenants save on their bills.

Dr. Fleury said he hopes that the apartments' success will make the public "more aware of what can be achieved in energy-efficient housing at very little additional cost." The 117-unit complex, which opened in July 1983, has never had a vacancy and averages 40 people on the waiting list.

After personally visiting the apartment complex, I can vouch for the attractiveness and efficiency of the buildings. Once you've seen what can be saved with this design, it's clear that the Fleurys are pioneers deserving of national recognition.

#### What Do You Think?

Call or write Congressman Dick Durbin:

WASHINGTON OFFICE: 417 Cannon Building Washington, D.C. 20515 (202) 225-5271

SPRINGFIELD OFFICE: 1307 S. 7th St. Springfield, IL 62703 (217) 492-4062 or 1-800-252-8463 P.O. Box 790 Springfield IL 62709 DECATUR OFFICE:
Room 110, 363 S. Main St.
Decatur, IL 62523
(217) 428-4745 or
PO. Box 1506
Decatur, IL 62525

QUINCY OFFICE: Room 305, 531 Hampshire St. Quincy, IL 62301 (217) 228±1042

#### TOWN MEETINGS



Come talk with Congressman Durbin about utility prices, the newly enacted 1985 farm bill, and upcoming issues in Congress at the first TOWN MEETINGS of 1986. The meetings, in MONTGOMERY, CHRISTIAN and SHELBY Counties, will bring to 158 the number of Town Meetings Congressman Durbin has held since taking office.

Saturday, February 15

- 156. IRVING, 11 a.m.
  Century House, in Village Park
- 157. ASSUMPTION, 1:30 p.m. Community Building
- 158. SHELBYVILLE, 3:00 p.m. County Courthouse Large Courtroom

Special Report from Durbin PRICES
Congressival Util ITY PRICES
CORP. WITH UTILITY PRICES

Congress of the United States House of Representatives Washington, D.C. 20515

Official Business

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of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE  $99^{th}$  congress, first session

Vol. 131

WASHINGTON, THURSDAY, AUGUST 1, 1985

No. 106

# Senate

#### HIROSHIMA REMEMBRANCE DAY

Mr. SIMON. Mr. President, this coming week, on August 6, when we are not in session, we will be noting the 40th anniversary of the dropping of the bomb at Hiroshima. Since that horrible display of weaponry, we have amassed more and more and more power. We are moving toward nuclear confrontation, at least I think that is the judgment of most people. And somehow we have to move away from that. We have to move away from it in ways that do not jeopardize in any way the security of our country nor the security of the Soviet Union. We have to start negotiating. My hope is that we can, as a first step, negotiate a verifiable comprehensive test ban

In any event, this body, our counterpart on the other side of the Capitol, and the administration ought to make a high priority of moving away from the present course. The present course ultimately means that these young pages here and all their counterparts all over this Nation and this world have a grim future. We can build a bright future, but it is absolutely essential, in order to build that bright future, that we negotiate away from the arms race which piles up more and more and more weapons of destruc-

Anniversaries can be good things or anniversaries can be bad things. I see the Chaplain on the floor. Sometimes when I attend church anniversaries I think they are not a good thing because they seem to say how good we are and pat themselves on the back.

The 40th anniversary of Hiroshima

is not an occasion where we want to say how good we are. It is an occasion when we ought to say somehow we have to move away from piling up more and more and more weapons, be-

more and more and more weapons, because ultimately someone, somewhere, is going to light the match.

There is one safe way to deal with that, and that is to find verifiable ways of moving away from the arms race. I hope this body, the other body, and the President can move us in that direction direction.

Mr. President, I asked for this special order relating to Hiroshima Remembrance Day because the Senate will be in recess on August 6, the 40th anniversary of the atomic bombing of Hiroshima. The destruction of Hiroshima ushered in a new era in warfare, and I hope a new era in the conduct of international politics. While many of us rejoiced at the rapid close of World War II, we were skeptical that such enormous uncontrolled power could long keep the peace, Just after the war ended, Albert Einstein said: "Nuclear weapons have changed everything except our way of thinking." Upfortunately, Einstein turned out to frighteningly accurate-year after year,

weapon after weapon. Anniversaries are important. 1985, we have already witnessed the 40th anniversary of the victory in Europe and the first successful atomic test in the desert of New Mexico. On August 6 we will note what is surely one of the most momentous of all dates—the destruction of Hiroshima by the first wartime use of nuclear weapons. Hiroshima was followed 3 days later by the atomic destruction of Nagasaki. And that second blast has so far been the last explosion of such terrible weapons fired in anger. But we would be complacent in the exteme if we were to assume that these two nuclear strikes were necessarily the last. We stand on the brink of a qualita-

tively new and far more dangerous cycle of the arms race. The Reagan administration has embarked on one of the greatest arms race follies ever contemplated: the star wars space shield, the so-called strategic defense initiative. Every major premise of this program is faulty. SDI will not bring about a radical reduction in United States and Soviet offensive nuclear arms; it will instead increase the number of weapons necessary because both sides will require more weapons. both sides will require more weapons. It will not reduce the chances for a first strike; it will instead ensure that the Soviet military targets our orbital lasers early so that their nuclear weapons can get through the shield. And their weapons will shift to warhead that do not enter space. SDI will not make the world a safer place; it will instead raise the stakes in a crisis. Both sides will feel the necessity of quick and catastrophic action against the and catastrophic action against the satellite "eyes and ears" essential to preserving military communications and nuclear launch-detection capabilities. And computers—which can malfunction—will make the ultimate decisions. The premium could shift to firing first, because there may no longer be the sure knowledge we each have today, that a first strike will invite a counter strike. In any event, nuclear weapons will still be delivered by suborbital or conventional means: a 1 megaton bomb could easily fit on the back of a standard-sized pickup truck.

There are other follies now under pursuit by both superpowers. We have our MX; Moscow has its SS-18 and SS-24. Our latest folly just arrived the other day, when the administration refused to join with the Soviet Union in a 5-month moratorium on nuclear tests and the Senate could not even agree to ask the President to resume talks. Even if the Soviets have con-ducted a number of extra tests in the past few weeks or months, what possi-

ble additional knowledge could they have gained in these tests? What kinds of militarily useful information could they have gleaned, that we could not with 40 years of testing and experimentation under our belt? A gesture of this sort could do wonders. Article 6 of the Non-Proliferation Treaty calls for the superpowers to make signifi-cant progress toward general and complete disarmament. Instead we push ahead with our test schedule as if a missed test spelled the end of Western civilization.

A comprehensive test ban treaty is verifiable down to exteremly small levels, and, with cooperative measures levels, and, with cooperative measures such as in-country tamper-proof seismic sensors, there is virtually unanimous sentiment that a good treaty could be negotiated with ironclad verification provisions. Why not take that first step toward fulfilling article 6 and meeting the aspirations of all the world's peoples? Why not engage in negotiations to stop all nuclear testing for all time? While no one would argue that an agreement banning tests will that an agreement banning tests will stop the arms race, it is clear that a treaty would dramatically slow the qualitative arms race and pave the way to reduce the numbers of missiles and warheads now spiralling out of control.

Mr. President, there are many arms control initiatives currently receiving attention in the public arena. Some are good ideas, others are less worthy. But it takes political wisdom, and political courage, to take that first step away from future Hiroshimas. We have spent the past 40 years moving closer to nuclear holocaust, devising new weapons programs and new strategic doctrines. When President Eisenhower met with Premier Khruschev, the two world leaders discussed the problems posed by nuclear fear. Eisenhower told Khruschev that when budgets are drawn up, his military come to him and say that they need come to him and say that they need more and better weapons to keep up with the Russians. Khruschev told the President that it was the same with Soviet defense spending: his military had to keep up with the Americans. And so it has been ever since.

We have legitimate differences with the Soviets. There are some disturbing trends under way, in the political and the military spheres. In the final analysis, however, we must put aside our

ysis, however, we must put aside our fears and our concerns, and sit down with Moscow and negotiate over our differences. We have done it before on several occasions, and we can do it again. We owe nothing less to ourselves, our children, and to the legacy of Hiroshima. Dear Mr. Merrill:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Mr. Dale O. Merrill 7046 Scripps Crescent Goleta, CA 93117









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10 march 1987

Mr. Hound Soher - Chief of Stoff The White House Washington - D-X -

my Dear Sin;

L'in debighted with our previolent. chaice of you to take over

I evelore Janis Rukeyser's Column framour local biberol papers & enderse his views emphatically. The 49- state sweep in 1884 was go that would bornly - Dale O. Merull a resounding mardate- het's







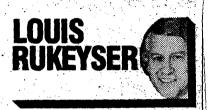




Real Estate

Sunday, March 8, 1987

Santa Barbara News-Press



# Dear Howard: Get Reagan back on track

EW YORK - An open letter to Howard H. Baker Jr.: Dear Howard. Congratulations - or condolences, as the case may be.

The Washington wise guys are convinced that your appointment as President Reagan's chief of staff is an appropriate burial place both for you and for the Reagan presidency, but the suspicion in this corner is that if you turn your attention immediately to the U.S. economy, there could be some surprises all around.

Everybody seems to be giving you purely political advice, which is the last thing you need. Like Richard Nixon in his selection of Gerald Ford, Ronald Reagan has turned in time of trouble to a veteran legislator universally regarded as a nice guy. You don't need me or anyone else to instruct you on how to get along with Congress better than Don Regan, who became in Washington a microcosm of the arrogance of power - and next to whom. Godzilla would now seem lovable.

But those who assume that you will serve merély as an affable caretaker for a burned-out president may well be underestimating you both. Let's not forget that, in the clearest economic confrontation in decades, Reagan in 1984 carried 49 states against a man who was advocating many of the policies that are now being urged on you by your pals in the capital.

f you're going to fool them, and respond to the nation beyond the Beltway, you'll have to move rapidly on an economic agenda that will get the Reagan presidency truly back on the track. A few thoughts for starters:

(1) Taxes. The issue that distinguished Reagan economically was his insistence that taxes be reduced. In fact, the promise was always greater than the performance. After the massive, and massively helpful, changes of 1981, there has been a succession of tax increases - disguised by assorted euphemisms such as "revenue enhancement," "loophole closing," "tax reform" and "Robert Dole." (You remember him, surely: He's the guy who can't stop grinning every time he's reminded that you're no longer a presidential candidate.)

But the overwhelming fact of the 1980s was that lowering taxes actually did increase investment. promote job creation and launch the country on a disinflationary expansion that is now deep in its fifth year. This confuses academics and politicians who have taught for generations that Washington can spend the people's money better than the peo-

ome of these discredited theorists are now howling for a return to the bad medicine they have routinely (and disastrously) prescribed in the past. Indeed, they suggest that "sensible" Howard Baker will support tax increases in 1987 — "to reduce the deficit" (something no modern tax increase, in fact, has ever done). Fool them, Howard, and help the rest of us: Instead of "accommodating" the perennial advocates of further government theft from the wage packet, get Ronald Reagan back on the offensive on taxes.

(2) Spending. Here's the real way to fight that deficit. Urge the president to follow his own instincts by making — for the first time in years - meaningful proposals to reform Social Security, Medicare and welfare: streamline defense, and apply a hatchet to the federal bureaucracy. (Where to start? How about where the president once promised — by eliminating the redundant departments of energy and education?)

Those who pooh-pooh such suggestions as "politically unfeasible" have Washington myopia; it was the advocacy of such significant change that put Reagan in the White House in the first place. Getting back on the attack could restore his im-

See RUKEYSER, Page G 2

Dear Mr. Keeler:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Mr. E. Richard Keeler General Manager Playland Park Playland Parkway Rye, NY 10580





ANDREW P. O'ROURKE County Executive Joseph M. Caverly, Commissioner Department of Parks Recreation and Conservation

E. RICHARD KEELER General Manager

HHB-1

March 9, 1987

Hon. Howard Baker Presidential Chief of Staff The White House Washington, D.C. 20500

Dear Mr. Baker:

As the Executive Assistant to Tony Colavita, New York State Republican Chairman, I had the privilege of meeting you a few times.

I know President Reagan has chosen the very best candidate to help restore and build upon the great image he has had, not only for the party's sake but for America's sake as well.

I wish you the best in your new position. I am sure it was a difficult task to make the decision not to run for the Presidency. I know that our country needs people like you.

Best Regards,

E. Richard Keeler General Manager PLAYLAND PARK

ERK: amk



Dear Ms. Moran:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Ms. Patricia Moran 84 Borglum Road Weldon, CT 06897

Wilson, Ex Worth 2,1987 MMB-1 ---Sinder Howard Balle The White Hause Washington, D.C. Den Sindo Baker It's Arrefic That you here suce again agreed to serve our country Thank you and I wish you The hest of luck in your ingortant and I'll but neclis got. Sincerely yours, Tadrusa Maran

Dear Mr. Jenson:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Mr. Sherman M. Jenson Apartment N103 1421 North University Little Rock, AR 72207

Sherman M. Jenson
1421 North University
Apt. N103
Little Rock, Arkansas 72207

Mach 3, 1987

Senator Howard H. Baker, fr Chief of Staff White House Washington, D.C.

Dear Senator

Your appointment as Chief of Staff has brought sighs of relief across the United States. Everybody I know has applanded the Gresiants choice. I, personally and I know the majority of americans, wish you well. Rest assuped that you are in our thought and prayers. While you have a long rough road to travel the Job needed doing can be done. We man he down lent me are not out, It is not the charocter of the american people to wallow in self pity and give up. Than ght highly young book to the day when we lived in Illinois and was an ardent Champion of Senator Dirkson. my wife and danquest full of you about your appointedment and wish you well too, our dangliter proctices low in wemphis,

Mrs. William A. Biggs III 309 Brookside Boulevard Upper St. Clair, Pennsylvania 15241 Dear Denator Baker. When I find learned of your new post, my reaction was to think of the words I learned to type " Now is the time for all good men to come to the aid of their Country! Thank your, good man, for Coming to the aid of our country Duly, Juli Dinh - Brojo March 1, 1987

Dear Ms. Felhel:

Thank you for your kind message. I appreciate your warm words of support and confidence.

With best wishes,

Sincerely,

Howard H. Baker, Jr. Chief of Staff to the President

Ms. Harriet O. Felhel 2920 Steff Drive Columbia, SC 29204

Dear Chief of Stoff

Congrabation on your new
apparatores L. I am so hoppy

that you were given this inspectant

Onition in the white House" your

au definited the right man, in

au definited the right man, in

the right place, at the right kine.

I would for you are a Volunteertee

South Carrier and would woh for

ymagien of ym wee her greene rational Mice! I geel very secure with your green the duken, however. I head me boken was dee. I send my hust wisher to her. She is a lovelydody. I we can help in South Carolina dolue trow! It here to your and your first! Senieus (Lorg) Harriel O. (Lorg) Warriel O. (Lorg)